

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 181
WALKERTON, INDIANA

January 1, 2003 to December 31, 2003



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman, Bureau of Motor Vehicles Commission	Mr. Gerald Coleman Ms. Mary DePrez Mr. Joel Silverman	01-06-02 to 02-29-04 03-01-04 to 01-09-05 01-10-05 to 01-11-09
Branch Manager	Ms. Sheryl Bowers Mrs. Shirley Budka	01-01-03 to 03-02-03 03-03-03 to 12-31-05



STATE OF INDIANA

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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BUREAU OF MOTOR VEHICLES COMMISSION

We have examined the Schedule of Collections and Distributions of the State Bureau of Motor Vehicles Commission License Branch Number 181 (Branch) for the period of January 1, 2003, to December 31, 2003. The Branch's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Collections and Distributions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Branch for the year ended December 31, 2003, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 20, 2004

STATE BUREAU OF MOTOR VEHICLES COMMISSION
 LICENSE BRANCH NUMBER 181
 WALKERTON, INDIANA
 SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS
 January 1, 2003 to December 31, 2003

	<u>Amount</u>
Collections:	
Registrations	\$ 8,919,889
Titles	622,395
Drivers Licenses	116,860
Watercraft	56,365
Miscellaneous	<u>384</u>
Total	<u>\$ 9,715,893</u>
Distributions:	
State Fees	\$ 2,890,711
County Tax	6,032,584
Commission Fees	<u>792,598</u>
Total	<u>\$ 9,715,893</u>

The accompanying notes are an integral part of the schedule.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 181
WALKERTON, INDIANA
NOTES TO SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS

Note 1. Introduction

The Motor Vehicles Commission was created to manage the motor vehicle license branches. The Bureau of Motor Vehicles is a separate state agency which provides support services to the Commission controlled license branches. The license branches collect fees which fund the Motor Vehicles Commission. The license branches collect and forward county taxes (excise tax, wheel tax, and surtax) and state fees. The Commission has one contractual branch that is administered by an individual contractor according to Bureau policies. The Commission has developed a mobile license branch to serve the need of CDL license issuance and other special needs as they arise.

Note 2. Collections and Distributions

Each branch collects fees and taxes when vehicle and watercraft registrations, titles and drivers licenses are sold. Fees are uniform throughout the state. The following taxes are collected by the branches: excise tax, surtax, wheel tax, and use tax.

The total daily collections are deposited to a single bank account. From this account the collections are distributed to separate bank accounts which are not controlled by the license branch and belong to the state, county and Bureau of Motor Vehicles Commission.

Note 3. Banking System

The Bureau of Motor Vehicles Commission has entered into an agreement with Bank One for a cash concentration system. The system utilizes a series of individual noninterest bearing accounts (clearing accounts) from which all fees and taxes are transferred.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
 LICENSE BRANCH NUMBER 181
 WALKERTON, INDIANA
 STATISTICAL INFORMATION
 January 1, 2003 to December 31, 2003

<u>Transactions Processed</u>	<u>Quantity</u>
Vehicle Registrations:	
Passenger	59,412
Motorcycle	2,147
RV (Housecar)	961
Light Truck	16,991
Other Truck	684
Farm Truck	236
Tractor	108
Trailer	7,091
Semi-Trailer	7,335
School and Church Bus	82
Other Bus	48
Other	<u>80</u>
Total Vehicle Registrations	<u><u>95,175</u></u>
Drivers Licenses and Permits:	
Drivers Licenses/Learners Permits	5,229
CDL Licenses/CDL Permits	319
Placards	692
Other	<u>2,903</u>
Total Drivers Licenses and Permits	<u><u>9,143</u></u>
Titles:	
Vehicles	8,394
Watercraft	<u>155</u>
Total Titles	<u><u>8,549</u></u>
Total Watercraft Registrations	<u><u>770</u></u>

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 181
WALKERTON, INDIANA
EXAMINATION RESULTS AND COMMENTS

YEAR END INVENTORY

The Branch personnel took an inventory at the end of 2003. In January 2004, we tested the accuracy of this inventory. Several items were located at that time which had not been included in the inventory. When comparing the year end inventory to the Open Inventory Report, we noted that many accountable items had not been included in the year end inventory.

Prior to year end, detailed inventory instructions were developed and distributed to each branch by Audit Services. They included a listing of accountable items along with sample forms and examples. (Letter dated December 3, 2003, from the Audit Services Director)

MISSING PLATE AFFIDAVITS

In 2003, the Branch prepared and submitted missing plate affidavits to the BMV Supply Department. On two of these missing plate affidavits, additional plates were added at the Branch after the originals were submitted to Supply. On the missing plate affidavit submitted to the Supply Department dated May 21, 2003, plate RV 69618 was listed. On the Branch's copy of this same affidavit, two plates were listed: RV 69618 and RV 58386. On the missing plate affidavit submitted to the Supply Department dated June 25, 2003, plates PA 71X2504, PA 71X2505, and PA 71X2506 were listed. On the Branch's copy of this same affidavit, five plates were listed: PA71X2504, PA 71X2505, PA 71X2506, PA 71X1641, and PA 71X1968.

During the comparison of actual inventory of accountable items to the Open Inventory Report, plates RV 58386, PA 71X1641, and PA 71X1968 were among other plates that could not be accounted for. A listing of the plates that could not be accounted for was given to Branch personnel. Branch personnel provided the Branch copy of the missing plate affidavits referred to above as explanation for the missing plates. We compared the Branch's copy to the copy submitted to Supply. Because of the discrepancies noted, we did not accept these missing plate affidavits as explanation for the missing plates.

In addition, plates surrounding RV 58386 were sold in March 2003, indicating that the missing plate affidavit for RV 58386 should have been filed before the May 21, 2003, date.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
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EXAMINATION RESULTS AND COMMENTS
(Continued)

Additionally, during the audit, missing plate affidavits were filed for two other plates that could not be accounted for.

Missing plate affidavits are to be submitted when an accountable item listed on the consignment sheet is initially discovered missing. (Branch Operations Policies and Procedures Manual, Equipment and Supplies Chapter)

The Affidavit of Missing License Plates, State Form 41947, states: "I swear or affirm that the information I have entered on this form is correct. I understand that making a false statement on this form may constitute the crime of perjury."

ACCOUNTABLE ITEMS

The following schedule details missing items revealed during a comparison of actual inventory of accountable items to the Open Inventory Report of the State Bureau of Motor Vehicles at December 31, 2003. No evidence was found to indicate these items have been sold.

<u>Year</u>	<u>Plate Type</u>	<u>Plate Number</u>
2002	Handicapped	32
2006	Special Recognition	BB1992
2007	Farm Truck 11,000	13249B
2007	Passenger	71L4901
2007	Passenger	71L5074
2007	Passenger	71L5075
2007	Passenger	71L5076
2007	Passenger	71S4744
2007	Passenger	71X1641
2007	Passenger	71X1968
2007	Recreational Vehicle	58386

A listing of the items that are to be accounted for to the State Board of Accounts is included in the Branch Operations Policies and Procedures Manual. (Branch Operations Policies and Procedures Manual, Supplies and Equipment Chapter)

STATE BUREAU OF MOTOR VEHICLES COMMISSION
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WALKERTON, INDIANA
EXIT CONFERENCE

The contents of this report were discussed on November 4, 2004, with Mrs. Shirley Budka, Branch Manager. The official concurred with our findings.